Assistance to States for development of agriculture

f2414. SHRIMATI MAYA SINGH: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that the representatives of agricultural sector have put forward some demand before Government for development of this sector and making provision on this basis during discussion held prior to presentation of the Budget 2006-07;

(b) if so, whether Government are aware of the said demands and whether Government are contemplating to provide economic assistance to States after considering new agriculture policy;

(c) if so, the details thereof; and

(d) the progress made on the action taken/to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA):(a) to (d) In the two meetings held by the Ministry of Finance with the representatives of Agriculture/Agriculturists before the presentation of the Budget of 2006-07, the major suggestions which emerged relate to, credit at easier terms for farmers: coverage of risk related to farming; the need for easier access to high quality inputs by the farmers, including HYV seeds and access to irrigation; and encouragement for food processing.

The Union Budget for 2006-07 has spelt out about Government's decision to ensure that the farmer receives short term credit at 7 per cent, with an upper limit of Rs. 3 lakh on the principal amount. For the current year, an amount equal to 2 percentage points of the borrower's interest liability on the principal amount up to Rs.1 lakh will be credited to the bank account of the farmer before 31st March, 2006. The Banks have been advised to do needful in this regard currently, National Agricultural Insurance Scheme (NAIS) is under implementation. The outlay for Accelerated Irrigation Benefit Programme (AIBP has been increased to Rs.7121 crore. The Budget also provides for repair, renovation and restoration of 20000 water bodies with a command area of 1.47 million hectares, at an estimated cost of Rs. 4481 crore.

† Original notice of the question was received in Hindi.